



**WORKFORCE INNOVATION AND
OPPORTUNITY ACT
POLICY MANUAL**

CHAPTER 2 - SECTION 500

SUBJECT: TRAINING SERVICES

500 BACKGROUND AND PURPOSE

This section provides policy for training services available to unemployed and underemployed adults, and to dislocated workers. Training services prepare individuals for the workforce by providing in-demand skills that meet employers' needs based on labor market information, Local Workforce Development Area (LWDA) and Tribal Entity sector strategies, career pathways, and business outreach. Through job-driven training, individuals acquire the skills needed to obtain and/or retain employment and increased earnings, which may lead to self-sufficiency. Training services for youth are addressed in the Youth Program policy in Section 200.

References: Workforce Innovation and Opportunity Act (WIOA) of 2013 (P.L. 113-128) Federal Register 20 CFR 680, and Training and Employment Guidance Letters (TEGLs) 17-05, 15-10, 10-16, 19-16, and 21-16.

501 TRAINING SERVICES

Training services are available to assist individuals in gaining skills and knowledge to obtain and retain employment. Training is administered by public and private sector employers, as well as institutions of higher education, Registered Apprenticeships, and other public and private providers of programs of training services. LWDA and Tribal Entity staff may determine training services are appropriate, regardless of whether the individual has received basic or individualized career services. Training services must be directly linked to employment opportunities in either the LWDA in which the participant resides or in another local area where the participant is willing to relocate. Training services may include:

- A. Occupational Skills Training – Training designed to meet the technical needs of the workplace and provide specific vocational skills leading to proficiency in the performance of actual tasks and technical functions required by specific occupational fields, including training in non-traditional employment. Providers of occupational skills training must be listed on the

Eligible Training Provider List (ETPL) and the specific training program must be listed as WIOA approved (see [Section 506](#)).

- B. On-the-Job Training (OJT) – Training provided through a contract with an employer who is reimbursed a percentage of the wage rate of the participant being trained while the participant is engaged in productive work (see [Section 508](#)).
- C. Incumbent Worker Training – Training designed to help the employer’s existing workforce obtain skills necessary to retain employment and prevent job loss. Training activities are carried out by the local workforce development board (LWDB) in conjunction with an employer or a group of employers (which may include employers in partnership with other entities for delivering such training) for the purpose of assisting such workers in obtaining the skills necessary to retain employment or avert layoffs (see [Section 510](#)).
- D. Training via programs that combine workplace training with related instruction, which may include cooperative education programs.
- E. Training programs operated by the private sector.
- F. Skill upgrading and retraining – Short-term or part-time training designed to upgrade skills in the workplace and provide retraining to enhance current skills.
- G. Entrepreneurial training – Training on the responsibilities of organizing, managing, and operating a business or enterprise.
- H. Job readiness training, if offered in combination with:
 - 1. Occupation skills training;
 - 2. OJT;
 - 3. Incumbent worker training;
 - 4. Programs that combine workplace training with related instruction;
 - 5. Training programs operated by the private sector;

6. Skill upgrading and retraining;
 7. Entrepreneurial Training.
- I. Adult education and literacy activities include English Language Acquisition and integrated education training programs, provided concurrently or in combination with:
1. Occupational skills training;
 2. OJT;
 3. Incumbent worker training;
 4. Programs that combine workplace training with related instruction;
 5. Training programs offered by the private sector;
 6. Skill upgrading and retraining; or
 7. Entrepreneurial Training.
- J. Customized Training – Training designed for specific requirements of an employer or group of employers, which is related to new production or service procedures, upgrading to new jobs that require new skills, workplace literacy, or other appropriate purposes as identified by the local board. Upon completion of the training, the employer must commit to employ or continue to employ the individual(s) who participated in the training (see [Section 511](#)).
- K. Registered Apprenticeship – Training based on an approved set of National or State Apprenticeship Registration agency approved Guidelines for Apprenticeship Standards and developed by a national committee or organization or state apprenticeship registration agency approved entity, which includes OJT and related technical instruction in a classroom instructional setting (see Section 509).

Note: The types of training listed in this policy are not inclusive, as LWDA's and Tribal Entities may provide additional types of training. Providers of OJT, incumbent worker training, internships (individualized career service), paid and unpaid work experience

(individualized career service) or transitional jobs (individualized career service) are not required to be listed on the ETPL and are not subject to ETPL requirements.

502 TRAINING SERVICES ELIGIBILITY

.01 Eligibility Requirements

All adults and dislocated workers must be registered and enrolled in the Arizona Job Connection (AJC) labor exchange system and determined eligible prior to receiving training services. As described in 20 CFR 680.210, training services are available to employed and unemployed adults and dislocated workers if:

- A. LWDA staff determines, after an interview, evaluation or assessment, and career planning, that the participant is:
 - 1. Unlikely or unable to attain or retain employment that leads to economic self-sufficiency, or wages comparable to or higher than wages from previous employment, through career services alone;
 - 2. In need of training services to obtain or retain employment that leads to economic self-sufficiency, or wages comparable to or higher than wages from previous employment;
 - 3. Determined to have the skills and qualifications to successfully participate in the selected program of training services;
 - 4. Selecting a program of training services directly linked to employment opportunities in the local area, the planning region, or another area to which the participant is willing to commute or relocate;
 - 5. Unable to obtain grant assistance from other sources to pay for the cost of training or requires WIOA Title I-B Assistance in addition to other sources of grant assistance (see Section 503);

6. Is a member of a worker group under a petition filed for Trade Adjustment Assistance (TAA) and is waiting for a determination. If the petition is certified, the worker may then transition to TAA approved training. If the petition is denied, the worker will continue training under WIOA Title I-B; and
7. Determined eligible according to the state and local priority of service system for the WIOA Title I-B Adult Program.

.02 Required Career Services

Prior to providing training services, the LWDA and Tribal Entity staff must obtain enough information to make an eligibility determination that an individual is eligible to receive training services, as described in 20 CFR 680.220.

- A. Participants must receive, at a minimum:
 1. An interview, assessments or evaluation, and career planning, including the development of an Individual Employment Plan (IEP); or
 2. Other services, as determined by the LWDA staff, to gather enough information to make an eligibility determination.
- B. LWDA and Tribal Entity staff may use a participant's recent interview, evaluation, or assessment for assessment purposes when such is conducted by another education or training program, as the LWDA or Tribal Entity determines appropriate.
- C. It is possible, on rare occasions, that participants do not receive a career service prior to receiving training services. However, when training services are provided without the services listed in this section, the LWDA staff or Tribal Entity staff must include justification, in the participant's case file, as to why the individual did not receive these services. Likewise, there is not a minimum time period for participation in career services prior to the individual becoming eligible for training services.

.03 Case File Documentation

Training participants' case files must include:

- A. A determination of the need for training services as determined by interview, assessment, or evaluation;
- B. Career Planning documentation, including that the participant was provided labor market information and training provider performance information; and
- C. Any other career services received.

503 COORDINATION OF WIOA TITLE I-B TRAINING FUNDS WITH OTHER GRANT ASSISTANCE AND CO-ENROLLMENTS

WIOA Title I-B funding for training is limited to participants who are unable to obtain other grant assistance to pay for the cost of training or who require assistance beyond that available from other sources to pay for such training. LWDA and Tribal Entity staff must coordinate funding arrangements and co-enrollments with ARIZONA@WORK partners and other entities.

.01 Coordination of Training Funds

- A. LWDA and Tribal Entities must ensure that WIOA Title I-B training funds are awarded only when no other sources of funding are available or when the amount available is insufficient in covering the participant's training costs. LWDA and Tribal Entity staff must document application of alternative sources of funding in AJC case notes. Alternative sources of funding that may be available include, but are not limited to:
 - State-funded training funds;
 - Trade Adjustment Assistance (TAA);
 - Rehabilitation Act funds;
 - Temporary Assistance for Needy Families;

- Federal Pell Grant funds; or
 - Other federal grant funds.
- B. In making the determination that WIOA Title I-B funds are required, LWDA and Tribal Entity staff must take into account the full cost of training, including the cost of supportive services and other appropriate costs, to ensure that the training is completed successfully.
- C. This provision does not apply to the GI Bill or other forms of Veterans Administration (VA) education or training benefits. Veterans and spouses are not required to coordinate their entitlement to VA training benefits with WIOA Title I-B training funds.
- D. Student loans are excluded when determining the individual's overall need for WIOA Title I-B funds for educational costs.
- E. Individuals may be attending school when they become a WIOA Title I-B participant; reimbursement of training costs is not allowed for payments made prior to WIOA Title I-B program participation.

.02 Application for the Pell Grant

Pell Grant eligibility is established by completing the Free Application for Federal Student Aid (FAFSA). ARIZONA@WORK Job Center operators must maintain documentation, in the participant's file, to support the eligibility determination and award of the Pell Grant.

- A. All WIOA Title I-B program participants pursuing training at a Pell Grant eligible institution must apply for a Federal Pell Grant, with the exception of individuals who have already earned a bachelor's degree. A participant may enroll in WIOA Title I-B funded training while his/her application for a Federal Pell Grant is pending. Following the award of the Pell Grant, the training provider must reimburse the ARIZONA@WORK Job Center Operator the amount that the Pell Grant covers from the WIOA Title I-B funds used to underwrite the training.

- B. The ARIZONA@WORK Job Center Operator must have a completed agreement on file with the educational institution and the WIOA Title I-B participant before any funds are paid to the training provider. This agreement must detail the amount to be initially paid by the WIOA Title I-B program and the agreement between the training provider and the participant to reimburse the WIOA Title I-B program through the Federal Pell Grant.
- C. Federal Pell Grants are awarded to cover tuition costs and education-related expenses. Reimbursement is not required from the portion of the Pell Grant assistance disbursed to the WIOA Title I-B participant for education-related expenses.
- D. When a participant is awarded a Pell Grant, the Pell Grant amount and the beginning and ending date of the grant must be recorded in AJC on the **WIOA Educational Grants** page.

.03 Co-enrollments

Co-enrollment is encouraged with partner programs.

- A. In the case of co-enrollment in Job Corps and WIOA, the Job Corps component will be considered training on the IEP.
- B. Supportive services may be provided to support WIOA Title I-B-funded or non-WIOA Title I-B-funded trainings. Any supportive services provided for training must be documented appropriately in AJC and in case notes.
- C. Co-case management with partner programs must ensure duplication of services does not occur.
- D. The WIOA Title I-B program may receive credit when a training service results in a federally-recognized credential. This includes instances when training is paid for using partner-program funds or if the participant paid for training using their own funds and WIOA Title I-B funds are used to provide career and/or supportive services to support the participant's success in the programs,. The training program is not required to be listed on the ETPL. In AJC, LWDA and Tribal Entity staff must:

1. Click on the “Add Service” button in the S&T Plan. The training service fields must be entered manually and completed on the Service Details page.
2. On the Service Details page complete the following:
 - a. Select occupational skills training as the service type;
 - b. Select the appropriate O*NET code and CIP code; credential type, and status;
 - c. Enter “Non-WIOA Paid” in the *Training Agent ID* field; and
 - d. Complete the training provider information, estimated start/end dates, and actual start/end dates.
3. In the notes section of the S&T Plan, clarify whether training was paid for by a partner program or by the participant;
4. When the training is paid for by another partner program, the following must be completed:
 - a. On the **Case Details** page, select the “Partner Provided Services” hyperlink and click add;
 - b. Select the Funding Source/Enrollment and;
 - c. Complete the services provided by the partner program on the **Partner Provided Services** page.

The credential must be earned during participation or within one year after exit. WIOA Title I-B staff may enter the recognized credential on the 4th Quarter Outcomes screens. It is the responsibility of the LWDA to determine if program’s outcome meets the definition of a recognized credential in section 512.

504 INDIVIDUAL TRAINING ACCOUNT (ITA)

LWDAs and Tribal Entities must use ITAs to provide training services, authorized under WIOA Title I-B, to eligible Adults, Dislocated Workers, and Out-of-School

Youth, so that they may pay to attend approved training programs listed on the ETPL, as described at 20 CFR 680.300. ITAs are payment agreements established, on behalf of the individual participant, with the training provider, so that the participant can purchase training from a training provider whose program is approved on the ETPL. ITAs are used for all training options that require use of the ETPL. Since ITAs are an agreement between the LWDA and the training provider, the LWDA must not require that the participant pay for the training upfront and request a reimbursement upon completing the training, however LWDAs are only responsible for the amount agreed upon in the ITA. ITAs with a specified dollar amount are established based on the needs of the participant identified in the IEP.

.01 ITA Payments

Payments from an ITA must be made by the LWDA or Tribal Entity directly to the Eligible Training Provider. Payment may be made in a variety of ways, including the electronic transfer of funds through financial institutions, vouchers, or other appropriate methods. Payments may also be made incrementally, through payment of a portion of the costs at different points in the training course. LWDAs and Tribal Entities must not require Eligible Training Providers to wait for payment until the participant successfully completes the training program. Payments must not be contingent on the participant obtaining his or her credential or securing employment. The ITA amount cannot exceed the total cost listed on the ETPL.

.02 ITA Limitations

LWDAs and Tribal Entities may impose dollar amount and/or duration limits on ITAs, as described in 20 CFR 680.30.

A. Limits to the ITA may established in the following ways:

1. The amount and duration of each participant's ITA may be justified through documentation of the participant's needs, such as the occupational choice or goal and the level of training needed to succeed in that goal, as identified in the IEP and maintained in the participant's case file; or
2. A range of amounts and/or a maximum amount, applicable to all ITAs, may be established.

- B. Exceptions to the limitations on the ITA must be determined on a case-by-case basis.
- C. The authority of the LWDAs and Tribal Entities to establish limits on the duration of the ITAs or restrictions on funding amounts must not be used to arbitrarily exclude training providers or types of training programs.
- D. Limitations on the duration of ITAs or restriction on funding amounts established by LWDA policies must be described in the Local Plan.
- E. Limitations must not be implemented in a manner that undermines the WIOA Title I-B requirement that training services are implemented in a manner that maximizes customer choice. LWDAs and Tribal Entities must not set time limitations on ITAs that would prevent participants from being able to choose any program listed on the ETPL.
- F. An individual may select a training program that costs more than the maximum amount available for ITAs when other sources of funds are available to supplement the ITA.
- G. When an ITA is issued, the “ITA Issued” box must be checked on the **WIOA Educational Grants** page in AJC. The ITA amount and ITA begin and end dates must also be added to this page.

.03 Individual Training Account Plan

The amount and duration of each participant’s ITA must be justified through documentation of the participant’s needs, such as occupation choice or goal and the level of training needed to succeed in that goal, as identified in the IEP and maintained in the participant’s file.

Each participant who is issued an ITA must have a completed “Individual Training Account Plan” which must contain, but is not limited to:

- A. The total cost of the training program, including tuition, supplies, books, and any fees;

- B. The dollar amount of additional sources of training funds, including funds from other job training programs and grants to be applied to the training cost;
- C. Pell Grant eligibility and the award amount that will be applied to the training cost;
- D. The duration of the ITA Plan;
- E. Signatures from the LWDA staff member and participant;
- F. Assessments (or IEP) to document the participant's ability to complete the training; and
- G. Labor market information relevant to the training, in order to document the reasonable expectation of high-pay/high-demand employment upon completion of the training.

.04 Additional Means of Providing Training without the Use of ITAs

Local plans must describe the process used when selecting the providers under contract for services. If contracts are used to provide services to participants, these programs do not need to be included on the ETPL. Contracts for services may be used instead of ITAs **only** when the LWDA and Tribal Entity has fulfilled consumer choice requirements in [Section 505](#) and one or more of the following applies, as described in 20 CFR 680.320:

- A. The services provided are OJT, Customized Training, Incumbent Worker Training, or Transitional Jobs;
- B. LWDAs and Tribal Entities determine that there are an insufficient number of eligible providers in the LWDA to accomplish the purpose of a system of ITAs. The Local plan must describe the process to be used in selecting providers under a contract for services. The determination process must include a public comment period of at least 30 calendar days for interested providers;
- C. LWDAs and Tribal Entities determine there is a training services program offered by a community-based organization, or by another private organization in the area, that has demonstrated effectiveness

in serving individuals with barriers to employment. LWDAs and Tribal Entities must develop criteria used in determining demonstrated effectiveness as it applies to individuals with barriers to employment. Criteria may include, but is not limited to:

1. Financial stability of the organization;
2. Demonstrated performance in the delivery of services to individuals with barriers to employment through such means as:
 - a. Program completion rate;
 - b. Attainment of skills;
 - c. Certificates or degrees the program is designed to provide;
 - d. Placement in unsubsidized employment after training;
 - e. Retention in employment; and
 - f. The specific program's alignment with the workforce investment needs, to be identified in the Local plan;
3. Service to individuals with barriers to employment, including those in one or more of the following categories:
 - a. Displaced homemakers;
 - b. Low-income individuals;
 - c. American Indians, Alaskan Natives and Native Hawaiians;
 - d. Individuals with disabilities;
 - e. Older Individuals (55 years and over);
 - f. Ex-offenders;
 - g. Youth who are in or aged-out of the foster care system;

- h. Homeless individuals;
 - i. Individuals who are English language learners, have low levels of literacy, and/or have substantial cultural barriers;
 - j. Eligible migrant and seasonal farmworkers
 - k. Individuals who are within 2 years of exhausting their lifetime eligibility under Temporary Assistance for Needy Families (TANF).
 - l. Single-parents (including single pregnant women);
 - m. Long-term unemployed individuals; or
 - n. Other groups determined by the Department of Economic Security (DES) to have barriers to employment.
- D. The LWDA or Tribal Entity determines that it is most appropriate to contract with an institution of higher learning or other eligible training provider of training services to facilitate the training of multiple individual in-demand industry sectors or occupations, provided that the co
- E. Contract does not limit consumer choice; or
- F. The LWDA or Tribal Entity enters into a pay-for-performance contract and ensures that the contract is consistent with 20 CFR 683.510. LWDAs must not use more than 10 percent of local funds for a pay-for-performance contract.

Note: Additionally, LWDA may determine that providing training through a combination of ITAs and contracts. This approach may be used for placing participants in RA and other similar types of training.

505 CONSUMER CHOICE

Training services that are provided through an ITA or a contract must be provided in a manner that maximizes consumer choice in selecting a training provider, as described in 20 CFR 680.340. Each LWDB, through its ARIZONA@WORK Job Centers, must make available to customers the state Eligible Training Provider List (ETPL). The list contains descriptions of programs through which training providers may offer training services, as well as performance and cost information. Programs listed on the ETPL that lead to a recognized postsecondary credential, and are aligned with in-demand industry sector occupations, must be given priority consideration.

.01 Career Planning Consultations

- A. Consultations with a career planner must include, at a minimum, an evaluation of the following:
- Participant's assessment results to determine if skills are sufficient to successfully complete a selected training program;
 - Program prerequisites;
 - Availability of additional training funds;
 - Cost of the training program;
 - Comparison of training programs; and
 - Availability of jobs in the local job market and the minimum entry wage for related occupations. Jobs must be in in-demand occupations or industries in the local area.

.02 Training Provider Selection Process

An individual who has been determined eligible for WIOA Title I-B training services may select any eligible training provider on the state ETPL after consultation with a career planner, regardless of the LWDA or Tribal Entity that originally approved the training program. However, the selected training program must be in-demand in the local area or in-demand in a location where the training participant is willing to commute or relocate. Unless the

program has exhausted training funds, the ARIZONA@WORK Job Center must refer the individual to training and establish an ITA to pay for training. The referral may be provided to the individual in the form of a voucher or certificate to obtain the training.

.03 Service and Training Plan in AJC

All services provided to WIOA Title I-B participants must be entered on the Service and Training Plan in AJC. When LWDA staff enter a training service, the appropriate O*net code and CIP Code is required. If the service is an educational service, only the CIP code is required. Not all training/educational services have an O*net code. However, for all training/educational services there is a CIP code.

.04 Barriers to Training Participation

WIOA Title I-B participants may face barriers that interfere with participation in training services, such as a lack of access to transportation or child care. These participants must not be excluded from opportunities to participate in training services. Supportive services must be provided, as appropriate, to assist participants in overcoming barriers (see Supportive Services Policy Section 300).

.05 Reciprocal Agreements

The ETPL is the primary list of eligible training providers and programs to be used by the LWDA and Tribal Entities when referring a WIOA Title I-B participant to training. LWDA may refer to programs on another state's ETPL with which Arizona has a reciprocal agreement if a comparable program is not available on Arizona's ETPL. Arizona has agreements with the following states:

- Nevada
- Utah
- New Mexico
- Montana

The training provider and program information must be manually entered on the **S & T Plan** page in AJC. LWDA and Tribal Entity staff must enter “Reciprocal Agreement with the State abbreviation”, in the *Training Agent ID* field, e.g. “Reciprocal Agreement with NM”.

506 OCCUPATIONAL SKILLS TRAINING

Occupational Skills Training is an organized program of study that provides specific vocational skills that lead to proficiency in performing actual tasks and technical functions required by a certain occupational field at entry, intermediate, or advanced levels, as described in 20 CFR 681.540. LWDA and Tribal Entities must give priority consideration to programs that lead to post-secondary credentials that align with in-demand industry sectors in the local areas.

Occupational Skills Training must meet the following requirements:

- A. Occupational Skills Training for adults and dislocated workers must be approved on the ETPL (see Eligible Training Provider List Policy Section 600). In order to enhance individual participant choice in education and training plans, and to provide flexibility to service providers, Out-of-School Youth (OSY) ages 16 to 24 may be issued an ITA using WIOA Title I-B Youth funds. If an OSY is issued an ITA, the program must be listed on the ETPL;
- B. Be outcome-oriented and focused on the occupational goal specified in the IEP;
- C. Be of sufficient duration to impart the skills needed to meet the educational goal;
- D. Result in the attainment of a postsecondary credential; and
- E. Provide a reasonable expectation that the WIOA Title I-B participant will gain self-sufficient employment upon completion of training.

Training program information must not be manually entered by LWDA and Tribal Entity staff. LWDA and Tribal Entity staff must not manually add the Training Agent IDs when the training program provider is paid by a WIOA Title I-B program. Occupational Skills Training that is paid for by a WIOA Title I-B program must be added to the S & T Plan using the “search Training Providers” button, which will

allow the LWDA to search for training programs listed on the ETPL. After finding the training program, LWDA and Tribal Entity staff are required to select the “Add training” button at the bottom of the **Program Description** page. This will allow the S & T plan to auto-populate with training provider and program information from the ETPL and to attach a system-generated Training Agent ID. This process links the participant to the training program so that performance reports can be accurately calculated.

507 WORK-BASED TRAINING

Work-Based Training includes OJT, Incumbent Worker Training, and Customized Training. Work-Based Training is not subject to ETPL requirements.

.01 Business Requirements for Work-Based Training

LWDAs may contract with businesses located within or outside of the LWDA, including across state lines, as the LWDA determines appropriate. Each business agrees to:

- A. Complete an application and enter into a contract with the LWDA or Tribal Entity that is funding the training program;
- B. Adhere to applicable WIOA administrative requirements, as well as the nondiscrimination and equal opportunity provisions of WIOA Section 188;
- C. Provide a Training Development Plan that identifies the training needs and competencies that will be achieved for each individual selected to receive the training;
- D. Provide copies of a “Certificate of Completion” to the LWDA or Tribal Entity for each individual who successfully completes the prescribed training program. Such certificates must contain the individual’s name and the class or course completed through training;
- E. Employ, or in the case of incumbent workers continue to employ, an individual upon successful completion of training;

- F. Be available for LWDA program monitoring on a scheduled basis; and
- G. Provide quarterly post-training reports, including information on the retention and/or promotions of trainees and the impact of training on the business, for one year after the completion of the training.
- H. Provide Worker's Compensation to participants participating in Work-Based Training.

Note: LWDA's and Tribal Entities must ask participants if they currently have a worker's compensation claim. If a participant does have a current worker's compensation claim, LWDA's and Tribal Entities must make the participant aware that wages from work-based training are reported to UI.

.02 Work-Based Training Provisions

Training must result in transferable skills within the industry in which the worker is currently employed and/or other growing industries within the LWDA and in an occupation with a high potential for sustained demand or growth as determined by the LWDA or Tribal Entity.

Work-based training must not:

- A. Displace any currently employed workers (including a partial displacement such as a reduction in non-overtime work, wage, or employment benefits);
- B. Impair an existing contract for services or a collective bargaining agreement;
- C. Procure, contract for, or incur costs to be paid from WIOA Title I-B program funds prior to the start date, as determined by the date when all parties sign the contract;
- D. Be provided to any company that has relocated within the previous 120 days of its application if the relocation has resulted in any employee losing his or her job at the original location;

- E. Include proprietary training specific to a company, unless skills are determined to be transferable to other businesses or industries; and
- F. Be used to directly or indirectly assist, promote, or deter union organizing.

.03 Performance Requirements

LWDAs and Tribal Entities must collect performance data to ensure employers who are participating in work-based training are fulfilling their commitment to hire participants after they complete the training programs.

- A. LWDAs and Tribal Entities may set additional performance measures and criteria for work-based training programs.
- B. LWDAs and Tribal Entities must create a list of employers that offer work-based training(s) that meet requirements in the local area.
- C. LWDAs and Tribal Entities must not contract with an employer who previously received payments under WIA Title I-B or WIOA Title I-B if the employer has exhibited a pattern of failure to provide training participants with continued long-term employment that includes wages, benefits (as well as health benefits) and working conditions that are equal to those of regular employees who worked a similar length of time and who are doing the same type of work.

.04 LWDA and Tribal Entity Responsibilities

LWDA and Tribal Entity responsibilities for work-based training consist of:

- A. Identifying a point of contact in the LWDA who will assist the business customer with questions and concerns, and provide overall support for the contract;
- B. Incorporating the employer's Training Development Plan into the IEP and identifying any other barriers or services needed;
- C. Monitoring during the training period and upon completion of the training contract;

- D. Developing policies for funding limitations;
- E. Developing policies and procedures for in-kind contributions (e.g. costs of training space or facilities at an employer's place of business used during training);
- F. Identifying, during the application process, how the training program will benefit individual workers participating in training (e.g. promotion, increased wage, career ladder, attainment of self-sufficiency, layoff aversion);
- G. Reviewing WIOA Title I-B participant progress in the work-based training(s) and determining if supportive services are needed;
- H. Monitoring the work site upon placement of the WIOA Title I-B participant, after the completion of training, to document whether the WIOA Title I-B participant is working in the agreed upon position, at the agreed upon salary, and utilizing those skills obtained through the customized training;
- I. Including a provision in the contract with the employer for contract termination due to lack of funds or lack of WIOA Title I-B participant attendance in the training;
- J. Including a provision in the contract with the employer permitting LWDA, state, and federal staff to review the training records;
- K. Creating a list of eligible providers of work-based training opportunities.
- L. Notifying participants that wages earned during work-based training are reported by the employer to the Unemployment Insurance (UI) Program. If the participant is claiming Unemployment Insurance, all wages earned must be reported as part of UI weekly claims. If wages are not reported, the participant may receive an overpayment and have to consequently pay back compensation received from UI, plus interest and penalties. Also, wages reported to the UI program by employers may be used to detect Workers' Compensation fraud; and
- M. Complying with [minimum wage](#) and [earned sick pay](#) requirements under the Fair Wage and Healthy Families Act. LWDAs are not

exempt from this requirement when they are the employer of record. Tribal Entities in Arizona are not required to comply with Arizona's Fair Wage and Healthy Families Act as they fall under federal jurisdiction. WIOA Title I-B funds may be used to pay for earned sick pay.

.05 Monitoring

- A. LWDA and Tribal Entities must monitor each onsite contract for the purposes of determining that providers are in compliance with the contract, including:
 - 1. Payroll, time, and attendance records substantiating the amounts claimed for reimbursement; and
 - 2. Training, wages, hours, benefits, and working conditions provided in accordance with the contract.
- B. LWDA and tribal staff must visit WIOA Title I-B participants and their supervisors at the worksites to:
 - 1. Assist in job-related or personal counseling; and
 - 2. Provide job coaching.
- C. LWDA and Tribal Entities must monitor the performance and progress of the participant on a regular basis to determine if:
 - 1. Continued participation is required;
 - 2. Transfer to another activity is appropriate;
 - 3. Placement in unsubsidized employment has occurred; and
 - 4. Other services would be more appropriate.

508 OJT TRAINING

OJT is training provided under a contract with an employer or a Registered Apprenticeship sponsor who is reimbursed a percentage of the wage rate of the

participant being trained while engaged in productive work in a job. OJT is intended to successfully prepare an individual for long-term, unsubsidized employment by providing the knowledge or skills essential to meet the full and adequate performance requirements of the job. Employers or Registered Apprenticeship sponsors providing OJT are subject to [Section 507.04 \(M\)](#) of this chapter. Participants must be enrolled their respective program in AJC to participate in OJT.

.01 Employer Reimbursements

Employer reimbursement payments are deemed payments for taking on extraordinary costs associated with the training of participants and the potentially lower productivity of the participants while in OJT. Employers are not required to document extraordinary costs.

- A. Employers may be reimbursed 50 percent of the wage rate of OJT.
- B. LWDAs and Tribal Entities may increase the reimbursement rate for the OJT contract up to 75 percent. LWDAs and Tribal Entities must establish policy on when the wage reimbursement may be increased from 50 percent up to 75 percent for OJT.
- C. LWDA and Tribal Entities must take into consideration the following factors when considering an increase to the OJT reimbursement rate up to 75 percent:
 - 1. The characteristics of the participants, by taking into consideration whether they are “individuals with barriers to employment”;
 - 2. The size of the employer, with emphasis on small businesses;
 - 3. The quality of the employer-provided training and of advancement opportunities, such as if the OJT contract is in an in-demand occupation and will lead to an industry-recognized credential, and other factors that DES, LWDAs, and Tribal Entities determine appropriate including:
 - a. The number of employees participating;

- b. The wage and benefit level of the employee (both presently and completion); and
 - c. The relation of the training to the occupational competitiveness of the participant.
- D. LWDA and Tribal Entities must document the factors used when deciding to increase the wage reimbursement levels above 50 up to 75 percent.

.02 Time Limits for OJT

The OJT is limited in duration, as appropriate, to the occupation for which the WIOA Title I-B participant is being trained. LWDA staff must take into account:

- A. Skill requirements of the occupation;
- B. Academic and skill levels of the participant;
- C. Prior work experience; and
- D. The IEP.

.03 OJT for Employed Workers

OJT contracts may be written for eligible employed workers under the following conditions:

- A. The employee is not earning a self-sufficient wage as determined by LWDA and Tribal policy; and
- B. The training relates to an:
 - 1. Introduction of new technologies;
 - 2. Introduction to new production or service procedures;
 - 3. Upgrade to new jobs that require additional skills such as:
 - a. Workplace literacy; or

- b. Other appropriate purposes identified by the LWDA or Tribal Entity;
- C. Requirements in 508.01 are met.

.04 OJT and Register Apprenticeship Programs

- A. OJT contracts may be developed with Registered Apprenticeship programs or participating employers in the Registered Apprenticeship program to cover OJT training portion. Depending on the length of the program and local OJT policy, training funds may be used to cover some or all of the OJT and related technical instruction costs throughout the duration of the Registered Apprenticeship program.
- B. ITAs may be combined with OJT contracts when placing participants into Registered Apprenticeship programs.
- C. OJT contracts with Registered Apprenticeship programs must be consistent with other OJT requirements in this policy, including those for existing workers in section 508.03.

Note: For the WIOA Title I-B Adult and Dislocated Worker program, OJT training is included in the Measurable Skills Gain (MSG) Performance Accountability measure but is excluded from the Credential Attainment Rate. For the WIOA Title I-B Youth Program, OJT Training is not included in the MSG or Credential Attainment Rate.

509 Registered Apprenticeship

Registered Apprenticeship is an industry-driven system of employment, OJT and related technical instruction (RTI). As an employee, the apprentice receives supervised, structured OJT work experience, combined with technical instruction training and built-in career placement. Registered Apprenticeships include a minimum of 2000 OJT hours and 144 hours a year of RTI.

- A. Registered Apprenticeship may be offered by individual businesses, employer associations, or labor market organizations.

- B. The [Arizona Office of Apprenticeship](#) is responsible for registering new Registered Apprenticeship and monitoring them for compliance. LWDAs must notify the Arizona Office of Apprenticeship if a business indicates it is interested in registering a new apprenticeship program.
- C. Registered Apprenticeship programs automatically qualify to be listed on the ETPL. An ITA may be developed for a participant to receive Registered Apprenticeship training. A Registered Apprenticeship program must be listed on the ETPL for an ITA to be used.
- D. ITAs may be used to support participants in:
 - 1. Pre-apprenticeship training leading to a Registered Apprenticeship program;
 - 2. Training tuition for a Registered Apprenticeship program to the training provider;
 - 3. Classroom instruction, in combination with an OJT contract, to cover some of all of the OJT portion of the Registered Apprenticeship;
 - 4. Supportive services, in coordination with career and/or training services, to Registered Apprenticeship participants (see Supportive Services Section 300); and
 - 5. Needs-related payments (see Supportive Services Section 300).

510 INCUMBENT WORKER TRAINING

Incumbent Worker Training is designed to meet the special needs of an employer (including a group of employers) to retain a skilled workforce, or to avert the need to lay off employees, by helping workers gain skills needed to retain employment. Incumbent Worker Training must increase the occupational competitiveness of the employee or the employer. Participants of Incumbent Worker Training are employed by the employer at the start of participation in the Incumbent Worker Training. Incumbent Worker Training is conducted with a commitment by the employer to retain or avert the layoff of the incumbent worker trained. Employers

providing Incumbent Worker Training are subject to [Section 507.04 \(M\)](#) of this chapter. Incumbent Worker Training is not permitted in providing occupational training to a new hire.

.01 Purpose of Incumbent Worker Training

Incumbent Worker Training may be used to either:

1. Help avoid potential layoffs of employees or;
2. Obtain the skills necessary for current employees to retain employment so employees can be promoted within a company and create backfill opportunities for less-skilled employees.

.02 Incumbent Worker Eligibility Requirements

- A. To qualify as an incumbent worker, the individual must:
 1. Be employed;
 2. Meet the Fair Labor Standards Act for an employer-employee relationship; and
 3. Have an established work history with the employer for at least six months.
 4. Note: An exception exists when the incumbent worker training is being provided to a cohort of employees. Not every employee in the cohort must have an established employment history with the employer for six months or more, as long as a majority of those employees being trained meet the employment history requirement.
- B. The LWDA or Tribal Entity must develop a process for documenting the six month work-history requirement for Incumbent Worker Training recipients. The contract between the LWDB and the employer must include this as a contract term.
- C. Incumbent workers who are working for the employer, and who are considered underemployed (e.g. workers who would prefer to work

full-time, but who are working part-time for economic reasons) may also participate in Incumbent Worker Training.

- D. An incumbent worker does not have to meet the eligibility requirements for career and training services for adults and dislocated workers under WIOA Title I-B, unless they are also enrolled as a participant in the WIOA Title I-B Adult and Dislocated Worker Program as a result of receiving other services from the WIOA Title I-B Adult or Dislocated Worker program.
- E. Incumbent Worker Training is considered a business service. Individuals who only receive Incumbent Worker Training are not included in the WIOA performance indicator calculations. Although participant and performance data on all incumbent workers who only receive Incumbent Worker Training is reported to USDOL, the required elements are limited to the demographics information and the elements needed to calculate employment in the 2nd and 4th quarters after exit, median earnings, and credential attainment rate.
- F. To enroll an individual in (Incumbent Worker Training) in AJC, LWDA or Tribal staff must check “yes” on the Incumbent Worker question, enroll the incumbent worker in the WIOA Title I-B Adult Program, and enter the Incumbent Worker Service.

.03 Employer Eligibility for Incumbent Worker Training

The LWDA must determine the employer’s eligibility for participating in Incumbent Worker Training. The following factors are used to help evaluate whether the training would increase the competitiveness of the employees or both the employees and the employer:

- A. The characteristics of the participants in the program (e.g. individuals barriers to employment); and
- B. The relationship to the occupational competitiveness of the employer and the employees;
- C. The LWDA may also consider other factors, including
 - 1. The number of employees participating in the training;

2. The wage and benefit levels of the employee (at the beginning and anticipated upon the completion of the training);
 3. The availability of other employer-provided training and advancement opportunities;
 4. Credentials and skills gained as a result of the training;
 5. Layoffs avoided as a result of the training;
 6. Utilization as part of a larger sector and/or career pathway strategy; and
 7. Employer size.
- D. Local policies must be consistent with the state and local plan, as well as with career pathways and sector strategy approaches.

.04 Incumbent Worker Training Funds

- A. The LWDA or Tribal Entity may reserve up to 20 percent of total adult and dislocated worker allotments for ITW. The 20 percent must only be used for Incumbent Worker Training activities that are programmatic in nature, as the administrative activities must be paid out of the LWDA's administrative funds.
- B. Employers participating in Incumbent Worker Training must pay the non-federal share of the cost of providing the training to their incumbent workers. Payments may be made through both cash payments and fairly evaluated in-kind contributions. The employer's contribution may include the wages paid to the incumbent worker trainee while the worker is attending training. LWDAs must develop policies regarding the non-federal share of the cost of Incumbent Worker Training.
- C. The LWDA must take into consideration the following factors when establishing the non-federal share:
 1. The number of employees participating in the training;

2. The wage and benefit levels of the employee (at the beginning and anticipated upon the completion of the training);
 3. The availability of other employer-provided training and advancement opportunities;
- B. The non-federal share depends on the size of the employer and must not be less than:
1. Ten percent of the cost for employers with not more than 50 employees;
 2. Twenty-five percent of the cost for employers with more than 50 employees, but not more than 100 employees.
 3. Fifty percent of the cost for employers with more than 100 employees.

511 CUSTOMIZED TRAINING

Customized training is designed to meet the specific needs of an employer or a group of employers committed to employing an individual upon the successful completion of the program, for which the employer pays a significant portion of the training, as determined by the LWDA or Tribal Entity. Customized training is generally designed so that participants are trained by a third party for the employer. Customized training participants are not employed by the employer at the start of participation in the customized training. Employers providing Customized Training are subject to [Section 507.04 \(M\)](#) of this chapter. Participants must be enrolled in their respective program in AJC to participate in customized training.

.01 Customized Training Requirements

- A. Employers must apply for customized training funds from the LWDA or Tribal Entity. Funds will be awarded based on the local availability of WIOA Title I-B funds at the time of the application.
- B. Once the LWDA awards funds, a business has up to one year to complete the approved training program. LWDAs or Tribal Entities

and their business partners are encouraged to conduct and complete training as soon as feasible.

- C. The following types of training that must not be authorized under the Customized Training Program, due to the availability of training elsewhere:
1. New employee orientation;
 2. Soft-skills training including, but not limited to:
 - a. Job search skills;
 - b. Résumé writing; or
 - c. Interviewing techniques;
 3. Adult Basic Education (e.g. High School Equivalency (HSE) preparation; or remedial courses in reading, mathematics, or language arts);
 4. English for Speakers of Other Languages; and
 5. Training that relates to human resources functions such as diversity, sexual harassment, and employment terminations.
 6. Customized Training is included in the MSG Performance Accountability Measure, but excluded from the credential attainment rate.

.02 Employer Cost of Customized Training

Employers are required to pay a significant portion of the cost of customized training, as determined by the LWDA or Tribal Entity.

- A. The LWDA or Tribal Entity must take into consideration the following factors when determining the significant portion of the cost of training to be paid by the employer:
1. The size of the employer; and

2. Other factors the LWDA or the Tribal Entity determines appropriate, which may include the:
 - a. Number of employees participating in the training;
 - b. Wages and benefit levels of the employees (at the beginning and anticipated upon completion of the training);
 - c. Relation of the training to the occupational competitiveness of the participant; and
 - d. Availability of other employer-provided training and advancement opportunities.
- B. In the case of customized training involving an employer located in multiple local areas in the state, DES will determine the significant portion of the training cost to be paid by the employer.

.03 Customized Training for Employed Workers

Customized Training contracts may be written for eligible employed workers under the following conditions:

- A. The employee is not earning a self-sufficient wage as determined by LWDA or Tribal policy; and
- B. The training relates to an:
 1. Introduction of new technologies;
 2. Introduction to new production or service procedures;
 3. Upgrade to new jobs that require additional skills such as:
 - a. Workplace literacy; or
 - b. Other appropriate purposes identified by the LWDA or Tribal Entity.

Note: In most cases, the employed worker would be an existing employee of the business prior to the start of the customized training.

512 CREDENTIALS

Credential attainment may assist youth and adults in leveraging new skills to obtain employment, increase earnings, and compete in the labor market. Arizona recognizes two types of credentials: federally-recognized credentials and locally-recognized credentials.

Training programs must result in either a federally-recognized credential or locally-recognized credential to be approved for the Eligible Training Provider List (ETPL). The ETPL consists of programs approved for use by Workforce Innovation and Opportunity Act Title I-B Adult, Dislocated Worker and Youth Program. Only Out-of-School may be issued ITAs to attend programs listed on the ETPL.

Local Workforce Development Area (LWDA) ETPL approvers must use the Training Program Credential Checklist (Exhibit 600A) to determine if a particular training program meets the definition of a locally-recognized or federally-recognized credential.

.01 Federally-Recognized Credentials

Federally-recognized credentials are awarded in recognition of individual attainment of measurable technical or industry/occupational skills necessary to obtain employment or advance in an industry/occupation. Additionally, they are an attestation of qualification or competence issued to an individual by a third party (such as an educational institution or an industry or occupational certifying organization) with the relevant authority or assumed competence to issue such a credential. Training programs that result in federally-recognized credentials may be listed on the ETPL.

.02 Federally-Recognized Credentials Awarding Organizations and Institutions

- A. The types of organizations and institutions that award federally-recognized credentials include:

1. Arizona Department of Education;
 2. An institution of higher learning described in Section 102 of the Higher Education Act (20 USC 1002) that is qualified to participate in the student financial assistance program authorized by title IV of that Act. This includes community colleges, propriety schools, and all other institutions of higher learning that are eligible to receive federal student financial aid;
 3. An institution of higher learning that is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or tribes.
 4. A professional, industry, or employer organization, such as the National Institute for Automotive Excellence or National Institute for Metalworking Skills, Inc., providing certification, Machining Level 1 credentials, etc., or a product manufacturer or developer providing certifications (e.g., Microsoft Certified IT Professional (MCITP), certified Novell Engineer, Sun Certified Java Programmer, etc.), using a valid and reliable assessment of an individual's knowledge, skills and abilities.
 5. USDOL Employment and Training Administration Office of Apprenticeship and Arizona's Apprenticeship Office;
 6. A public regulatory agency, which awards credentials upon an individual's fulfillment of educational, work experience, or skills attainment as legally necessary for an individual to use an occupational or professional title or to practice an occupation or profession (e.g.; Federal Aviation Administration aviation mechanic license).
 7. A program that has been approved by the Department of Veterans Affairs to offer educational benefits to veterans and other eligible persons.
- B. Not all credentials issued by these types of organizations and institutions meet the definition of federally-recognized credential.

.03 Types of Federally-Recognized Credentials

Federally-recognized credentials include both secondary and postsecondary credentials. Federally-recognized credentials include the following:

- A. Educational credentials including diplomas, degrees, and certificates. Credit hours are the building blocks for educational credentials. Types of educational credentials include the following:
 - 1. High school diploma;
 - 2. High School Equivalency (HSE);
 - 3. Educational certificates;
 - a. Educational certificates must be based on credit hours.
 - b. Educational certificates are awarded after completion of an organized program of study at the postsecondary level; not a single course.
 - c. Educational certificates must be recorded in AJC as Other Recognized Diploma, Degree or Certificate.
 - d. Educational certificates must also be determined sufficient to qualify for entry-level employment or advancement in employment.
 - e. Certificates of completion may be educational certificates if they are based on credit hours and awarded for the completion of an organized program of study; not a single course. Certificates of completion that do not meet this definition must not be considered a federally-recognized credential. Certificates of completion that are awarded after successful completion of a training program that prepares students to take occupational license and personnel certification examinations must also not be considered federally-recognized credentials (see Section 512.02.B.2 and 512.02.B.3).

4. Associate's diploma/degree;
5. Bachelor's diploma/degree.

B. Industry Recognized Credentials

1. Occupational certificates include:
 - a. Registered Apprenticeship Certificates issued by a Registration Agency, either the state's Apprenticeship Office or the U.S. Department of Labor. For more information on Arizona's Apprenticeship Office, see <https://des.az.gov/services/employment/apprenticeship-home>.
 - b. Interim credentials may be developed from an approved set of apprenticeship standards for the occupation. They are a portable recognition of an apprentice's accomplishments and are issued based on recognized components of an apprenticeable occupation. Interim credentials are issued by the ETA's Office of Apprenticeship.
 - c. Career and Technical Education educational certificates

2. Occupational Licenses

Occupational Licenses are granted by state and federal agencies or regulatory bodies and are required for an individual to work in the occupation. Examples of Occupational Licenses include cosmetology licenses, massage licenses, commercial driver's licenses, or nursing licenses (e.g., a Certified Nursing Assistant (CNA) license). For more information, see:

<https://www.careeronestop.org/toolkit/training/find-licenses.aspx>).

Characteristics include that:

- a. Occupational licensure is defined by laws and regulations and are intended to set professional standards and ensure safety and quality;
- b. Time-limited occupational licensure must be renewed based on the meeting of ongoing requirements;
- c. Violations of the terms of the Occupational License may result in legal action;
- d. Completion of a program of study that prepares an individual for an occupational licensure is not a credential;
- e. Occupational Licenses may be required in addition to other credentials. The credential for completing the educational program must only be recorded in AJC if the participant successfully received an Occupational License, as the license is required to work in the occupation.

3. Occupational Certifications

Occupational Certifications (personnel certifications) attest that the individual has acquired the necessary knowledge and skill to perform a specific occupation or skill. The certification process is based on a formal study that validates the necessary knowledge and skills that have been assessed and re-affirmed at designated interval. For example, knowledge and skills may be assessed through examinations that have been determined fair, valid, and reliable and re-certification provided every three years. The certificate is owned by the certification body may be taken away from the verified person for reasons of unethical or incompetent behavior after appropriate due process.

Occupational certifications:

- a. Must be industry-recognized or result in a professional association certification;

- b. Are granted by third party non-governmental agencies, usually associations or businesses;
- c. Are intended to set professional standards for qualifications, such as a certification for a crane operator or a Novell Network Certified Engineer;
- d. Usually require successful completion of an examination or assessment of the individual's knowledge and skills through an examination or assessment provided by a certifying body.
- e. Usually require a set amount of work experience or professional/technical experience;
- f. Usually require renewal after a certain time period; and

Note: A violation of standards or requirements may result in suspension or revocation of the certification.

Automotive Service Excellence (ASE) Certification is an example of an Occupational certification.

For a list of occupational Certifications and certifying agencies, see

<https://www.careeronestop.org/toolkit/training/find-certifications.aspx?frd=true>.

Completion of a training program that prepares a participant for an assessment or test that results in an Occupational License or a Personnel Certification is not a federally-recognized credential. The credential must only be recorded under the Outcomes screens in AJC after the participant successfully completes the test and receives his/her certificate or license.

- 4. Examples of common certificates that do not meet the definition of a credential include:

- a. Occupational Safety and Health Administration (OSHA) 10 Hour Course that provides awareness of job-related safety and health hazards.
- b. Work/Career Readiness Certificates (i.e. Arizona Career Readiness Credentials);
- c. Completion of an Assistive Technology training program (e.g. screen reading software); or
- d. Completion of Orientation and Mobility Training.

.04 Career Enhancing Attributes

LWDAs are encouraged to approve training programs resulting in federally-recognized credentials with career enhancing attributes:

Four attributes that add value to a credential include:

A. Industry-Recognized

An industry-recognized credential is one that is either developed and offered by, or endorsed by, a nationally-recognized industry association representing a sizeable portion of the industry sector; or a credential that is sought and accepted by companies within an industry sector for the purposes of hiring or recruitment, which may include credentials from vendors of certain products.

B. Stackable

A credential is considered stackable when it is part of a sequence of credentials that can be accumulated over time to build up an individual's qualifications and to help them move along a career pathway or up a career ladder to different and potentially higher paying jobs.

C. Portable

A credential is considered portable when it is recognized and accepted as verification of the qualifications of an individual in other

settings; either in other geographic areas, at other educational institutions, or by other industries or employing companies.

D. Accredited

Accreditation helps to ensure that an educational program provided by an institution of higher education meets acceptable levels of quality.

.05 Locally-Recognized Credentials

Locally-recognized credentials are obtained after completing a training that has been determined by the LWDA to not result in a federally-recognized credential, but which is determined of value due to its being required by local employers and to result in employment. Locally-recognized credentials include the following:

- A. A certificate of completion received upon the successful completion of a program based on competencies and curriculum that are developed in partnership with employers within the LWDA. Training programs that result in this type of locally-recognized credential may be approved to be listed on the ETPL. This certificate of completion must be:
 - 1. Obtained from the results of a valid, objective assessment;
 - 2. Based on significant vocational content;
 - 3. Portable from one employer or region in the state to another; and
 - 4. Meaningful to employers.
- B. Arizona Career Readiness Credentials may be recognized by the LWDA as locally-recognized credentials.
- C. Locally-recognized credentials are excluded in the performance reporting of the credential attainment rate indicator, as they are not federally-recognized. However, employment in the 2nd and 4th

quarter after exit and median earnings in the 2nd quarter after exit will count towards performance, as appropriate.

513 CREDENTIAL ATTAINMENT RATE INDICATOR

For the WIOA Title I-B Adult, Dislocated Worker, and Youth Programs the Credential Attainment rate indicator is the percentage of those participants enrolled in an education or training program (except those in OJT and customized training) who attain a federally-recognized postsecondary credential or a secondary school diploma or its recognized equivalent, during participation in or within one year after exit.

A participant who attained a secondary diploma or its recognized equivalent is included in the percentage of participants who have attained a secondary diploma or its recognized equivalent only if the participant is also employed or enrolled in an education or training program leading to a federally-recognized postsecondary credential within one year after exit.

- A. For the WIOA Title I-B Adult and Dislocated Worker Program, the credential attainment rate only includes those who received training or education (excluding OJT or customized training).
- B. For the WIOA Title I-B Youth Program, all In-School youth are included in the credential attainment rate since they are attending secondary or postsecondary school. Only Out-of-School youth who participate in one of the following are included in the indicator:
 - 1. Occupational Skills Training program element;
 - 2. Secondary education during participation in the WIOA Title I-B Youth Program; or
 - 3. Postsecondary education during participation in the Title I-B Youth program.
- C. Credentials may be attained during the program or within one year after exit.
- D. For the numerator, participants who receive a secondary credential and postsecondary credential must be reported only once in the

numerator for the credential indicator based on the highest credential attained.

- E. For the denominator, participants who qualify for secondary and postsecondary credential cohorts must be reported only once for the credential indicator.

514 MEASURABLE SKILLS GAIN RATE INDICATOR

For the WIOA Title I-B Adult, Dislocated Worker, and Youth programs the MSG is the percentage of participants who, during the program year, are in education or training programs leading to recognized postsecondary credential or employment and who are achieving MSG. MSG is defined as documented academic, technical, occupational or other forms of progress towards a credential or employment

Depending on the type of education or training program in which the participant is enrolled, documented progress is defined as one of the following:

- A. Documented achievement of at least one Educational Functioning Level (EFL) by a participant who is receiving instruction below the postsecondary education level;
- B. Documented attainment of a secondary school diploma or obtained passing scores on all parts of the Arizona high school equivalency test;
- C. Secondary and postsecondary transcript or report card for a sufficient number of credit hours that shows a participant is meeting Arizona's unit academic standards. Arizona's high school graduation requirements are available at:
<https://azsbe.az.gov/resources/graduation-requirements>;
- D. Satisfactory or better progress report towards established milestones, such as completion of an OJT or completion of one year of a Registered Apprenticeship program or similar milestone, for an employer or training provider who is providing training; or
- E. Successful passage of an exam that is required for a particular occupation or progress in attaining technical or occupational skills as

evidenced by trade-related benchmarks, such as knowledge-based exams.

515 Inclusion in the Measurable Skill Gain Performance Accountability Measure

- A. All WIOA Title I-B Adult and Dislocated Workers who are in a WIOA Title I-B funded education or training program are included in the MSG indicator (which includes funding a training program for a high school equivalency diploma). This includes all participants in work-based training (OJT, and Registered Apprenticeship). This does not include Work Experience (WEX) as WEX is considered an individualized career service, not training.
- B. All WIOA Title I-B In-school youth are included in the MSG Performance Accountability measure since they are attending secondary or postsecondary school. Only OSY who are in one of the following are included in the indicator:
 - 1. Occupational Skills Training (Program Element 5);
 - 2. Secondary education during participation in the WIOA Title I-B Program;
 - 3. Title II (Adult Education) during participation in the WIOA Title I-B Youth Program;
 - 4. The Youthbuild Program during participation in the WIOA Title I Youth Program; or
 - 5. Job Corps during participation in the title I-B Youth program;

Note: Youth who are participating in WEX and OJT are not included in the MSG performance accountability indicator.

- C. LWDA and Tribal Entities must set an MSG type in AJC for all participants who are participating in the Education and Training activities above in A and B during the program year. MSG is a real-time performance measure and is not exit-based. At least one MSG is required for all program years that the participant receives an education or training service. Goals are not required to be set as part of the MSG performance accountability measure; however goals are

required to be included in the participant's Individual Service Strategy (ISS) or IEP.

- D. Participants are included in the MSG indicator regardless of how long they have participated in the program in the program year. LWDA and Tribal Entity staff must not delay enrollment or services to participants until a new program year if the program determines that there is insufficient time to attain the measureable skill gain by the end of the program year.

516 DOCUMENTING PROGRESS FOR TYPES OF MEASURABLE SKILLS GAINS

Depending on the type of MSG required, LWDAs and Tribal Entities must document progress as follows:

- A. For purposes of determining an increase of at least one EFL *of a participant who is receiving instruction below the postsecondary level* for the MSG indicator, the LWDAs may:
 - 1. Compare the participant's pre-test EFL with the post-test EFL. **LWDAs must use tests determined suitable for the NRS by the U.S. Secretary of Education.** The most recent list of tests determined suitable for the National Reporting System is available online at <http://federalregister.gov/a/2015-19847>.

The same test and version must be used for both the pre-and post-test. LWDA, Tribal Entity or Youth Service Providers may use other assessment tools appropriate to the target population as determined by the LWDA or Tribal Entity except for determining basic skills deficiencies; or
 - 2. Report an education functioning level gain for participants who exit a program below the postsecondary level and enroll in postsecondary education and training during the program year.
- B. For purposes of documenting the attainment of a secondary school diploma or its recognized equivalent, LWDAs or Tribal Entities may:

1. Accept documentation stating that a participant obtained passing scores on all parts of the Arizona high school equivalency test, or
 2. Accept documentation indicating the participant obtained a diploma or state-recognized equivalent documenting completion of secondary studies or an alternate diploma.
- C. For purposes of documenting *secondary or postsecondary transcript or report card for a sufficient number of credit hours that shows a participant is meeting Arizona's academic standards*, LWDA's or Tribal Entities may accept documentation through receipt of a secondary transcript or report card for one semester showing that the participant is achieving Arizona's policies for academic standards.

Note: For post-secondary education, this gain must demonstrate a sufficient number of credit hours (a minimum of 12 hours per semester for full-time students or a total of at least 12 hours over the course of two completed consecutive semesters during the program year) that shows a participant is achieving the Arizona's academic standards (or the equivalent for other than credit hour programs).

- D. For purposes of documenting *satisfactory or better progress report, towards established milestones such as completion of an OJT or completion of one year of a Registered Apprenticeship or similar milestone from an employer or training provider who is providing training*, LWDA's and Tribal Entities must identify appropriate methodologies based upon the nature of service being provided, but progress reports must document substantive skill development the participant has received. The gain may be documented by a satisfactory or better progress report from an employer or training provider. Progress reports may include training reports on milestones completed as the individual masters the required job skills, or steps to complete an OJT or an apprenticeship program. Increases in pay from newly acquired skills or increased performance also may be used to document progress. LWDA's and tribal entities must define "progress" for the definition of training milestone and

include acceptable documentation for training milestone in local policy.

- E. For purposes of documenting *successful passage of an exam that is required for a particular occupation or progress in attaining technical or occupational skills as evidenced by trade-related benchmarks, such as knowledge based exams*, LWDA and Tribal Entities may accept documentation that indicates passage of a component in a Registered Apprenticeship program, employer-required knowledge based exam, satisfactory attainment of an element on an industry or occupational competency-based assessment, other completion test necessary to obtain the credential. LWDA and tribal policy must include how the LWDA will determine an exam/ element meets the requirements of the skill progression type of MSG.
- F. All participants who are in an education or training program during a program year leading to a recognized credential or employment are in the calculation of this indicator, unless they are excluded from performance for reasons listed in [PB 17-007: Exits Excluded from Accountability Measures](#).
- G. The following participants in education or training are included in the MSG indicator:
 - 1. All participants who are in the WIOA Title I-B Adult and Dislocated Worker-funded training program, including a secondary school program equivalent, and all participants in work-based training;
 - 2. All In-School Youth since they are attending secondary or postsecondary school; and
 - 3. Out-of-School Youth who are in either:
 - a. Occupational skills training;
 - b. Secondary education during participation in the WIOA Title I-B Youth program; or
 - c. Postsecondary education during participation in the Title I-B youth program.

- H. LWDAs must not record the Arizona Career Readiness Credential, Cardiopulmonary Resuscitation (CPR), First Aid Certificates, Forklift Certification, and WEX as MSGs as they do not meet the definition any of the MSG types in this section.
- I. LWDA and Tribal Entity staff must identify the appropriate MSG for participants, and ensure accurate recording in AJC.
- J. Documentation related to MSG verification as outlined on the *Measurable Skill Gain Checklist* (500A) must be uploaded into AJC or kept in the participant's program file.